The Principal Officer of a banking company, a financial institution and an intermediary, as the case may be, shall furnish the information to the Director, FIU-IND, in respect of suspicious transactions, not later than seven working days on being satisfied that the transaction is suspicious.

The Securities and Exchange Board of India (SEBI) has issued circulars to securities market intermediaries, including stock brokers, registered under Section 12 of the SEBI Act, 1992, advising them to put necessary systems and procedure in place for fulfilling their obligations under the PMLA and PMLA Rules.

(c) Till date 528 Suspicious Transaction Reports (STRs) have been received from stock brokers including depositary participants in FIU-IND. After analysis and processing, 377 STRs have been disseminated for investigation to relevant authorities.

(d) Follow up action on the STRs disseminated by FIU-IND is taken by the relevant authorities. As there is no central data base regarding action taken on STRs, it is not feasible to indicate the current status of each case.

Credit card frauds

479. SHRI RAMDAS AGARWAL : Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that economic offences are on the rise in the country, particularly credit card frauds;

(b) if so, the details thereof indicating the number of frauds in the credit card segment and amount involved therein as reported by banks to Reserve Bank of India (RBI) during last three years, including the current year;

(c) how much amount has so far been become Non Performing Assets (NPA) in various banks in last three years and current year; and

(d) the steps being taken or proposed to be taken by Government to check such rising trend to economic offences including lucrative marketing and pre-launch scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) RBI has reported that they do not have comprehensive data on economic offences in the country. However, the data on frauds including in the area of credit cards reported by commercial banks is furnished below:

(Amount in lakh)

Year	2006		2007		2008		2009 (upto September)	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
TOTAL	17258	3000.52	17294	3844.79	16962	4497.39	16393	5027.96

(c) The details of NPAs in credit cards (consolidated) pertaining to all Banks during the last three years including the current year is as under:-

(Rs in crores)

Month Year	Bank Name	Retail-Impaired Credit Card Receivables "A"	Retail - Outstanding Credit Card Receivables- "B"	Share of "A" in "B"
Mar- 07	All Banks	1520	18317	8%
Mar - 08	All Banks	2852	27437	10%
Mar-09	All Banks	5094	29941	17%
Sep 09	All Banks	5120	26375	19%

The data is sourced from off-site returns submitted by banks and covers only domestic operations of the bank.

(d) RBI as a part of its supervisory process has taken the following measures to check frauds in Credit Card segment:

(i) RBI has issued guidelines to banks on credit card operations which are available on the website of RBI (http://www.rbi/org.in). The banks were advised to set up internal control systems to combat frauds and to take pro-active fraud control and enforcement measures. They were also advised to ensure that credit card operations were run on sound, prudent and profitable lines as also fulfill 'Know Your Customer' requirements, assess credit risk of customers, specify terms and conditions in clear and simple language, ensure prompt dispatch of bills, maintain customer confidentiality etc.

(ii) The *modus operandi* adopted by certain criminal elements for perpetrating frauds in credit cards, reported by a bank, was brought to the notice of all commercial banks by RBI in its circular dated July 1, 2005 so as to enable them to exercise due caution while issuing credit cards to new customers.

(iii) RBI had issued a circular to all commercial banks in June, 2006, advising them to take various preventive measures to combat frauds relating to skimming or duplicating of credit cards. The measures include educating customers through hoardings, advertisements, handouts and also posting cautionary messages in the website of card issuing banks.

(iv) Indian Banks' Association had issued "Fair Practice Code for credit card operations" in March 2005.

As regards lucrative marketing and pre-launch schemes, all the banks have been advised that while issuing cards, the Terms and Conditions for issue and usage of a credit card should be mentioned in clear and simple language (preferable in English, Hindi and local language) comprehensible to the card user. The Most Important Terms and Conditions termed as standard set of conditions should be highlighted and advertised/sent separately to the prospective customer at all stages *i.e.* during marketing, at the time of application, at the acceptance stage and in the important subsequent communications.